GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:770
ANSWERED ON:28.11.2005
IMPORT OF SUGAR
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether any survey has been conducted regarding production, consumption and cost of sugar in the country;

(b) if so, the details regarding the findings of the said survey;

(c) whether sugar is being imported in the country to meet the shortage;

(d) if so, the details regarding the total quantity and cost of sugar imported during the last three years, year-wise;

(e) the reasons therefor; and

(f) the steps taken by the Government to increase the production of sugar in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a) & (b): As per the information available with the Government, the production, consumption and cost of sugar in the country during the last three sugar years were as under:-

Sugar Season (October-September)	Production	Consumption	Range of wholesale price of sugar in four principal markets of the country (Rs. /Qtl)#
2002-2003	201.32	183.35	1190-1525
2003-2004	139.58	175.00	1265-1810
2004-2005	130.00	169.88	1570-2075

Source : Price Monitoring Cell, Department of Consumer Affairs.

(c) & (d): Sugar is on O.G.L. (Open General Licence) and is freely importable as per commercial prudence of the importers. However, as per the Foreign Trade Policy of the Government, all commodities including raw sugar can also be imported by actual users against Advance Licences (ALS) obtained under the Duty Exemption Entitlement Certificate (DEEC) Scheme, under which such imports are exempted from duties but are subject to export obligation to be fulfilled within the stipulated period. The quantity of sugar imported and its cost during the last three years were as under:-

Financial Year (April - March)	Qty. in lakh M.Ts	CIF Value (Rs./crores)
2002-03	0.41	32.93
2003-04	0.74	62.70
2004-05	8.89	954.24

Source: Dte. General of Commercial Intelligence & Statistics, Kolkata.

(e): The sugar production during last two sugar seasons viz. 2003-04 and 2004-05 sugar seasons had declined to 140 lakh M.Ts and 130 lakh M.Ts, respectively, on account of drought and pest infestation in major sugar producing States viz., Maharashtra, Tamil Nadu, Karnataka. In order to maintain a normative opening stock equivalent of 3 month`s consumption at the beginning of the ensuing sugar year (2005-06), the Government have facilitated import of raw sugar by sugar factories under the Advance License Scheme of the prevailing Foreign Trade policy.

(f): The Government have taken the following steps to increase the sugar production:-

(a) Statutory Minimum Price (SMP) for 2005-06 has been fixed at Rs. 79.50 per quintal linked to a basic recovery of 9% subject to a premium of 88 paise for every 0.1% point increase in the recovery above that level.

(b) Through effective release mechanism, better monthly open market realization was ensured for sugar mills, enabling them to clear cane arrears to the extent of 99.44%, and as such encouraged sugarcane farmers to increase sugarcane acreage and cultivation.

Thus, with normal monsoon and increase in area under cultivation, the sugar production during the current 2005-06 is estimated to be 180 lakh M.Ts as against 130 lakh M.Ts last year.